

The Influence of law number 2 year 2020 on bank Indonesia's independence = Pengaruh undang-undang nomor 2 Tahun 2020 terhadap ndependensi Bank Indonesia

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Abstrak

In 2020, the Covid-19 pandemic brought down the economies of countries around the world, including Indonesia. To overcome this crisis, President Joko Widodo enacted Government Regulation in lieu of Laws No.1 of 2020, which currently has become Law No. 2/2020 concerning State Financial Policies and FinancialSystem Stability for Handling the Covid-19 Pandemic and/or in the context of facing threats that endanger the national economy and/or financial systemstability. This Law was designed to deal with the financial system crisis caused byCovid-19. However, some views that this Law contained issues that influences the independence of Bank Indonesia. One aspect that touches the independence of Bank Indonesia in this regulation is related to the purchase of long-term Government Bonds on the Primary Market by Bank Indonesia for the Government to conduct the fiscal policies and the PEN Program. Bank Indonesia also funds the state budget deficit through printing money for the Government. The Financial System Stability Committee, which includes the Minister of Finance as coordinator and Bank Indonesia as a member, has a substantial role in Law No. 2 Year 2020. In this regard, economists and experts believe that there has been intervention by the Government against Bank Indonesia's independence in this pandemic. At the same time, it can also be said that this policy aims to stabilize the financial system due to the Covid-19 pandemic. The normative juridical research method was used in this thesis to analyze how does Law No. 2 Year 2020 influences Bank Indonesia's independence.